

TESTIMONY OF THE NORTHEAST CLEAN ENERGY COUNCIL

Regarding

Senate Bill 224 (Raised)

An Act Concerning the Capacity and Criteria for Certain Renewable Energy Generation Facilities

Senate Bill 272 (Raised)

An Act Concerning the Use of Microgrid Grants and Loans for Certain Distributed Energy Generation

House Bill 5242 (Raised)

An Act Concerning Agricultural Virtual Net Metering

House Bill 5309 (Raised)

An Act Concerning Facilitation of the Municipal Residential Solar Application Process

House Bill 5427 (Raised)

An Act Concerning the Shared Clean Energy Facility Pilot Program

Submitted by:

Dan Bosley, NECEC Government Relations Executive

March 1, 2016

To the Members of the Energy and Technology Committee:

The Northeast Clean Energy Council (NECEC) appreciates the opportunity to comment on the five raised Senate and House bills noted above.

NECEC is the lead voice for hundreds of clean energy companies across the Northeast, helping to grow the clean energy economy. NECEC's mission is to create a world-class clean energy hub in the Northeast delivering global impact with economic, energy and environmental solutions. NECEC is the only organization in the Northeast that covers all of the clean energy market segments, representing the business perspectives of investors and clean energy companies across every stage of development. NECEC members span the broad spectrum of the clean energy industry, including energy efficiency, demand response, renewable energy, combined heat and power, energy storage, fuel cells and advanced and "smart" technologies. Many of our members are operating and investing in Connecticut, and more are interested in doing so.

SB 224 (Raised) *An Act Concerning the Capacity and Criteria for Certain Renewable Energy Generation Facilities*

This bill would increase the size and number of Class I renewable generation facilities for which "an electric distribution company, or owner or developer of generation projects that emit no pollutants" could submit unsolicited proposals to the Department of Energy and Environmental Protection (DEEP). While NECEC strongly supports action that would allow a range of independent owners and developers of "generation projects that emit no pollutants" (such as fuel cell and other clean energy technology companies) to submit unsolicited proposals to the Department of Energy and Environmental Protection (DEEP), we do not support policies that would make it easier for electric distribution companies to increase their ownership of clean energy or any generation as proposed here. Therefore, **NECEC opposes the bill in its current form.**

We respectfully urge the Committee to consider that action on the proposals in this bill might better be vetted as part of the larger Comprehensive Energy Strategy discussion to take place later this year. In the meantime, Connecticut is already undertaking procurements of grid scale and small renewable and clean energy resources pursuant to Public Act 15-107.

There is also an existing "customer side of the meter" fuel cell program in the Connecticut LREC program, which is currently set to expire after the April 2016 solicitation. The LREC program leverages private investment and federal investment tax dollars into "customer side of the meter projects" that may require less ratepayer support than the proposed bill. Regardless of action taken on this proposed bill, the General Assembly should assure that action on the extension of the Connecticut LREC program is a policy priority.

SB 272 (Raised) *An Act Concerning the Use of Microgrid Grants and Loans for Certain Distributed Energy Generation*

NECEC supports this bill, which would allow DEEP to provide microgrid grants and loans for additional types of costs associated with microgrids.

HB 5242 (Raised) *An Act Concerning Agricultural Virtual Net Metering*

NECEC supports this bill, which clarifies that agricultural customers are allowed to lease or enter into long-term contracts for an agricultural virtual net metering facility.

HB 5309 (Raised) *An Act Concerning Facilitation of the Municipal Residential Solar Application Process*

NECEC strongly supports this bill, which would require the Green Bank to develop, in consultation with the State Building Inspector, a standardized solar photovoltaic system permit application form and make it available for use by municipalities.

Local permitting processes for residential solar installations of smaller projects (generally 12 kilowatts or less) can be inconsistent, cumbersome, time-consuming and costly, without providing compensating benefits for customers and the general public. Among other concerns, these possible delays place an unnecessary brake on the SHREC program, which calls for an additional 300 MW of residential solar (roughly 40,000 new home installations) by 2022. The

General Assembly should enact this legislation aimed at streamlining solar permitting processes, and continuing the growth of Connecticut's job-supporting solar industry.

HB 5427 (Raised) *An Act Concerning the Shared Clean Energy Facility Pilot Program*

NECEC supports this bill with amendment. In 2015, the General Assembly enacted legislation creating a demonstration program for shared clean energy facilities. Implementation of this program has been delayed as the distribution utilities have sought clarification of their ability to recover the costs of implementing the program. Sections (d)(3) and (4) provide such clarification and NECEC supports these provisions.

However, NECEC urges the Committee to amend the bill to extend the period of time for the tariff mechanism in Section (d)(1) from 15 years to 25-30 years, which is consistent with the terms of financing used for such projects and the useful life of the equipment. Limiting the tariff mechanism to 15 years will increase the costs of the pilot to customers by increasing financing costs for developers.

As it considers legislation related to shared clean energy facilities, NECEC respectfully suggests that the Committee and General Assembly take action to implement larger and broader deployment of community shared solar as expeditiously as possible so that more citizens and businesses can take advantage of solar. If it is not possible to move such legislation this year, we look forward to working with the Committee and DEEP to develop a broader shared clean energy facilities and community shared solar programs through the Comprehensive Energy Strategy process and to see them enacted through legislation in the coming year.

Conclusion

NECEC and our member companies are available as a resource for the Committee as it considers these and other energy related bills. We urge the Committee and the legislature to continue to take steps to ensure that the energy, economic and environmental benefits of clean energy are available to all citizens and businesses in Connecticut.

Thank you for your consideration.

Sincerely,



Dan Bosley
Government Relations Executive

cc: Peter Rothstein, NECEC President
Janet Gail Besser, NECEC VP, Policy and Government Affairs
Mike Martone, Murtha Cullina

TESTIMONY OF THE NORTHEAST CLEAN ENERGY COUNCIL

Regarding

Senate Bill 224 (Raised)

An Act Concerning the Capacity and Criteria for Certain Renewable Energy Generation Facilities

Senate Bill 272 (Raised)

An Act Concerning the Use of Microgrid Grants and Loans for Certain Distributed Energy Generation

House Bill 5242 (Raised)

An Act Concerning Agricultural Virtual Net Metering

House Bill 5309 (Raised)

An Act Concerning Facilitation of the Municipal Residential Solar Application Process

House Bill 5427 (Raised)

An Act Concerning the Shared Clean Energy Facility Pilot Program

Submitted by:

Dan Bosley, NECEC Government Relations Executive

March 1, 2016

To the Members of the Energy and Technology Committee:

The Northeast Clean Energy Council (NECEC) appreciates the opportunity to comment on the five raised Senate and House bills noted above.

NECEC is the lead voice for hundreds of clean energy companies across the Northeast, helping to grow the clean energy economy. NECEC's mission is to create a world-class clean energy hub in the Northeast delivering global impact with economic, energy and environmental solutions. NECEC is the only organization in the Northeast that covers all of the clean energy market segments, representing the business perspectives of investors and clean energy companies across every stage of development. NECEC members span the broad spectrum of the clean energy industry, including energy efficiency, demand response, renewable energy, combined heat and power, energy storage, fuel cells and advanced and "smart" technologies. Many of our members are operating and investing in Connecticut, and more are interested in doing so.

SB 224 (Raised) *An Act Concerning the Capacity and Criteria for Certain Renewable Energy Generation Facilities*

This bill would increase the size and number of Class I renewable generation facilities for which "an electric distribution company, or owner or developer of generation projects that emit no pollutants" could submit unsolicited proposals to the Department of Energy and Environmental Protection (DEEP). While NECEC strongly supports action that would allow a range of independent owners and developers of "generation projects that emit no pollutants" (such as fuel cell and other clean energy technology companies) to submit unsolicited proposals to the Department of Energy and Environmental Protection (DEEP), we do not support policies that would make it easier for electric distribution companies to increase their ownership of clean energy or any generation as proposed here. Therefore, **NECEC opposes the bill in its current form.**

We respectfully urge the Committee to consider that action on the proposals in this bill might better be vetted as part of the larger Comprehensive Energy Strategy discussion to take place later this year. In the meantime, Connecticut is already undertaking procurements of grid scale and small renewable and clean energy resources pursuant to Public Act 15-107.

There is also an existing "customer side of the meter" fuel cell program in the Connecticut LREC program, which is currently set to expire after the April 2016 solicitation. The LREC program leverages private investment and federal investment tax dollars into "customer side of the meter projects" that may require less ratepayer support than the proposed bill. Regardless of action taken on this proposed bill, the General Assembly should assure that action on the extension of the Connecticut LREC program is a policy priority.

SB 272 (Raised) *An Act Concerning the Use of Microgrid Grants and Loans for Certain Distributed Energy Generation*

NECEC supports this bill, which would allow DEEP to provide microgrid grants and loans for additional types of costs associated with microgrids.

HB 5242 (Raised) *An Act Concerning Agricultural Virtual Net Metering*

NECEC supports this bill, which clarifies that agricultural customers are allowed to lease or enter into long-term contracts for an agricultural virtual net metering facility.

HB 5309 (Raised) *An Act Concerning Facilitation of the Municipal Residential Solar Application Process*

NECEC strongly supports this bill, which would require the Green Bank to develop, in consultation with the State Building Inspector, a standardized solar photovoltaic system permit application form and make it available for use by municipalities.

Local permitting processes for residential solar installations of smaller projects (generally 12 kilowatts or less) can be inconsistent, cumbersome, time-consuming and costly, without providing compensating benefits for customers and the general public. Among other concerns, these possible delays place an unnecessary brake on the SHREC program, which calls for an additional 300 MW of residential solar (roughly 40,000 new home installations) by 2022. The

General Assembly should enact this legislation aimed at streamlining solar permitting processes, and continuing the growth of Connecticut's job-supporting solar industry.

HB 5427 (Raised) *An Act Concerning the Shared Clean Energy Facility Pilot Program*

NECEC supports this bill with amendment. In 2015, the General Assembly enacted legislation creating a demonstration program for shared clean energy facilities. Implementation of this program has been delayed as the distribution utilities have sought clarification of their ability to recover the costs of implementing the program. Sections (d)(3) and (4) provide such clarification and NECEC supports these provisions.

However, NECEC urges the Committee to amend the bill to extend the period of time for the tariff mechanism in Section (d)(1) from 15 years to 25-30 years, which is consistent with the terms of financing used for such projects and the useful life of the equipment. Limiting the tariff mechanism to 15 years will increase the costs of the pilot to customers by increasing financing costs for developers.

As it considers legislation related to shared clean energy facilities, NECEC respectfully suggests that the Committee and General Assembly take action to implement larger and broader deployment of community shared solar as expeditiously as possible so that more citizens and businesses can take advantage of solar. If it is not possible to move such legislation this year, we look forward to working with the Committee and DEEP to develop a broader shared clean energy facilities and community shared solar programs through the Comprehensive Energy Strategy process and to see them enacted through legislation in the coming year.

Conclusion

NECEC and our member companies are available as a resource for the Committee as it considers these and other energy related bills. We urge the Committee and the legislature to continue to take steps to ensure that the energy, economic and environmental benefits of clean energy are available to all citizens and businesses in Connecticut.

Thank you for your consideration.

Sincerely,



Dan Bosley
Government Relations Executive

cc: Peter Rothstein, NECEC President
Janet Gail Besser, NECEC VP, Policy and Government Affairs
Mike Martone, Murtha Cullina